

CIVIC CENTER (14)

AGENCY PLAN: STATEMENT OF PURPOSE, GOALS AND BUDGET SUMMARY

STATEMENT OF PURPOSE:

The Civic Center Department provides and promotes world class facilities and services for conventions, trade shows, banquets, special events, cultural events and major public and sporting events, in order to create both temporary and permanent economic impact to the City of Detroit.

AGENCY GOALS:

1. Continue to improve our level of customer satisfaction by providing a safe and attractive facility with a responsive, customer-driven staff.
2. Build upon the upward trend of increased convention bookings to positively impact event-generated revenue, with the overall impact of causing an increased demand for hospitality services that relate to Cobo activity.
3. Reduce operational costs.
4. To continue our efforts towards "Greener" policies.
5. Continue to communicate effectively and cooperate with Detroit hospitality service providers (hotels, Detroit Metro Convention and Visitors Bureau, etc.).

2008-09 <u>Requested</u>		2007-08 <u>Budget</u>	2008-09 <u>Recommended</u>	Increase (Decrease)
\$18,333,127	City Appropriations	\$ 18,528,020	\$ 16,949,980	\$ (1,578,040)
-	Capital Reinvestment	200,000	-	(200,000)
<u>2,350,000</u>	Renewal and Replacement Funds	<u>1,500,000</u>	<u>2,350,000</u>	<u>850,000</u>
\$20,683,127	Total Appropriations	\$ 20,228,020	\$ 19,299,980	\$ (928,040)
\$ 5,599,120	Operating Revenues	\$ 6,663,854	\$ 5,063,765	(1,600,089)
-	Capital Reinvestment	200,000	-	(200,000)
<u>2,350,000</u>	Renewal and Replacement Funds	<u>1,500,000</u>	<u>2,350,000</u>	<u>850,000</u>
7,949,120	Total Revenues	\$ 8,363,854	\$ 7,413,765	\$ (950,089)
\$12,734,007	NET TAX COST:	\$ 11,864,166	<u>\$ 11,886,215</u>	\$ 22,049

AGENCY EMPLOYEE STATISTICS:

2008-09 <u>Requested</u>		2007-08 <u>Budget</u>	04-04-08 <u>Actual</u>	2008-09 <u>Recommended</u>	Increase (Decrease)
34	City Full-Time Positions	34	33	34	0
<u>2</u>	City Part-Time Positions	<u>2</u>	<u>1</u>	<u>2</u>	<u>0</u>
36	Total Positions	36	34	36	0

ACTIVITIES IN THIS AGENCY:

	2007-08 <u>Budget</u>	2008-09 <u>Recommended</u>	Increase (Decrease)
Administrative Services	\$ 1,268,056	\$ 1,292,611	\$ 24,555
Civic Center Facilities Operations	18,038,791	16,663,162	(1,375,629)
Property Management	<u>921,173</u>	<u>1,344,207</u>	<u>423,034</u>
Total Appropriations	\$ 20,228,020	\$ 19,299,980	\$ (928,040)

CIVIC CENTER (14)

ADMINISTRATIVE SERVICES MEASURES AND TARGETS

ACTIVITY DESCRIPTION: ADMINISTRATIVE SERVICES

The Civic Center Department's Administrative Services unit establishes and implements policies. It provides all technical and administrative support to ensure the long-term viability of the Civic Center complex as a world class attraction that serves as an economic catalyst and cultural enhancement for the City of Detroit and the State of Michigan. The unit provides and promotes a safe, attractive, well-managed, customer-friendly environment for Detroiters and visitors, making Cobo Center a magnet for conventions, trade shows, conferences, banquets and special events. The unit also monitors and maximizes the business relationship with Cobo Center's labor unions, exclusive contractors, Olympia Entertainment, Incorporated and the Detroit Metro Convention and Visitors Bureau (DMCVB).

GOALS:

1. Reduce operational costs.
2. Initiate Teamwork efforts.
3. Increase and develop new revenue sources.
4. Increase economic impact of our events.
5. Improve communication and cooperation between units within the Civic Center Department.

MAJOR INITIATIVES FOR FY 2007-08:

- During the 2007-08 fiscal year, Civic Center initiated a "Green Practices" program
- Expanded our ability to market secure Internet Services for our customers at Cobo Center
- Purchased multi-channel radio system for better communication between divisions and ultimately, to improve customer service.
- Returned control of funding of the janitorial contract from the General Services Department to Cobo Center
- Successfully hosted over 350 events (2007 calendar year), which included 45 major events that resulted in an estimated economic impact of over \$600 million to the region.

PLANNING FOR THE FUTURE FOR FY 2008-09, FY 2009-10 and BEYOND:

- Generate more economic impact for the region by booking more events;
- Monitor the development plans for the expansion of Cobo Center and Hart Plaza.

CIVIC CENTER (14)

ADMINISTRATIVE SERVICES MEASURES AND TARGETS

Type of Performance Measure:	2005-06	2006-07	2007-08	2008-09
List of Measures	Actual	Actual	Projection	Target
Efficiency: Program Costs related to Units of Activity				
Contractual services as percent of total costs	22%	*2.3%	19%	19%
Activity Costs	\$1,297,756	\$1,127,593	\$1,268,056	\$1,292,611

*In FY 2006-07, security and janitorial services were transferred to the General Services Department. In FY 2007-08, janitorial services were transferred back to Civic Center.

CITY OF DETROIT
Civic Center Department
Financial Detail by Appropriation and Organization

Administration	2007-08 Redbook		2008-09 Dept Final Request		2008-09 Mayor's Budget Rec	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Administration						
<i>APPROPRIATION ORGANIZATION</i>						
00008 - Administration						
140010 - Administration	7	\$863,056	7	\$839,046	7	\$887,611
140030 - Arena Taxes	0	\$405,000	0	\$405,000	0	\$405,000
APPROPRIATION TOTAL	7	\$1,268,056	7	\$1,244,046	7	\$1,292,611
ACTIVITY TOTAL	7	\$1,268,056	7	\$1,244,046	7	\$1,292,611

CITY OF DETROIT
Budget Development for FY 2008-2009
Appropriations - Summary Objects

	2007-08	2008-09	2008-09
	Redbook	Dept Final	Mayor's
		Request	Budget Rec
AC0514 - Administrative Services			
<i>A14000 - Civic Center</i>			
SALWAGESL - Salary & Wages	419,592	337,672	450,382
EMPBENESL - Employee Benefi	281,915	296,809	282,862
PROFSVCSL - Professional/Cont	60,000	60,000	60,000
OPERSUPSL - Operating Supplie	25,000	25,000	15,000
OPERSVCSL - Operating Service	73,549	116,565	76,367
OTHEXPSSL - Other Expenses	408,000	408,000	408,000
<i>A14000 - Civic Center</i>	<i>1,268,056</i>	<i>1,244,046</i>	<i>1,292,611</i>
AC0514 - Administrative Services	1,268,056	1,244,046	1,292,611
Grand Total	1,268,056	1,244,046	1,292,611

CIVIC CENTER (14)

CIVIC CENTER FACILITIES OPERATIONS ACTIVITY INFORMATION

ACTIVITY DESCRIPTION: CIVIC CENTER FACILITIES OPERATIONS, SALES & MARKETING AND EVENT SERVICES

The Civic Center Department's Facilities Operations, along with Sales & Marketing and Event Services is to provide management, event coordination, maintenance, security, customer service, food service and a positive environment at one of the nation's largest exhibition centers, including Hart Plaza. Sales and Marketing staff are included in this section and work closely with Administrative Services and the Detroit Metro Convention and Visitors Bureau (DMCVB). This unit manages a substantial volume of city property and is primarily responsible for the management and/or tenant relations for Joe Louis Arena, Cobo Arena, and Veterans Memorial Building (Ford/UAW Training Center). The Civic Center Department also houses the chilled water and refrigeration plant that supplies chilled water for air conditioning to Joe Louis Arena, Cobo Arena, and the Veterans Memorial Building (Ford/UAW Training Center).

GOALS:

1. Continue to improve our level of customer satisfaction by providing a safe and attractive facility with a responsive, customer-driven staff.
2. Build upon the upward trend of increased convention bookings to positively impact event-generated revenue, with the overall impact of causing an increased demand for hospitality services that relate to Cobo activity.
3. Continue to communicate effectively and cooperate with Detroit hospitality service providers (hotels, Detroit Metro Convention and Visitors Bureau, etc.).

MAJOR INITIATIVES FOR FY 2007-08:

- Realigned staff functions to more accurately reflect the relationship and responsibility between our Sales and Marketing, Operations and Event Services Divisions.
- Implemented the following cost-saving policies:
 - 1) Expand on the "Summer Sunday Closure" policy of the building to include all Sundays and holidays. If the opportunity arises to book a significant event then the building will be opened for that and any other events, both small and large.
 - 2) The closing time for all events has been moved up from 1:00 a.m. to 12:00 midnight.
 - 3) Limit the amount of equipment that is included in each room rental. Customers will be charged for equipment needs above the prescribed amounts.
 - 4) Require customers to supply room set-up needs four weeks in advance of their event and approve room drawings two weeks in advance, otherwise a "standard" set-up will be installed.
 - 5) Be more vigilant in energy conservation, i.e., shutting down escalators when the building is empty, turning off lights in unoccupied exhibit halls and meeting rooms, etc.
- Implemented the following revenue enhancements:
 - 1) The recent installation of wired Internet throughout the building allows for an additional, significant revenue stream as events that require Internet access can now order service through Cobo Center instead of outside contractors.
 - 2) Reduced non-profit and government groups rates from 50% to 25%.
 - 3) Rental rates for events other than Trade Shows, Conventions or Public Shows will be scrutinized with increases to some in the market segments that can bear those increases.
 - 4) "Miscellaneous Charges" (chairs in exhibit halls, lock changes, mullion removals, additional equipment in meeting rooms, etc.) have been increased to better reflect the amount of time and energy needed to fulfill the requests for those services.

CIVIC CENTER (14)

PLANNING FOR THE FUTURE FOR FY 2008-09, FY 2009-10 and BEYOND:

- Continue to work with the DMCVB to generate more economic impact for the region by booking more events;
- Successfully plan to host the following events:
 - Church Of God In Christ -- Auxiliaries In Ministry Convention (June 30 - July 4, 2008)
 - Improved Benevolent And Protective Order Of Elks Of The World Annual Grand Lodge/Temple Convention (August 2-8, 2008)
 - IEEE International Symposium On Electromagnetic Compatibility – (August 18-22, 2008)
 - Convergence 2008 (October 20-22, 2008)
 - Michigan Association Of Public School Academies Michigan Charter Schools Conference (November 3-4, 2008)
 - North American International Auto Show (January 2009)
 - Boat Show (February 2009)
 - Detroit Kennel Club Dog Shows (March 2009)
 - Autorama (March 2009)
 - Science & Engineering Fair Of Metro Detroit (March 2009)
 - AAU Folkstyle Wrestling World Championships (March 2009)
 - DUB Magazine Super Series Car Show (March 2009)
 - Michigan Association of Computer Users in Learning (March 19-20, 2009)
 - Freedom Institute – Freedom Weekend (April 2009)
 - NAACP – Freedom Fund Dinner (April 2009)
 - NCAA “Hoop City” and Coaches Convention (April 3-6, 2009)
 - SAE World Congress (April 20-23, 2009)
 - Michigan School Business Official Annual Conference (April 28-29, 2009)
 - United Way of America Staff Leaders Conference (May 12-15, 2009)
 - Air and Waste Management Association Annual Conference and Expo (June 16-18, 2009)
 - National Baptist Convention of Christian Education Convention (June 21-26, 2009)

CIVIC CENTER (14)

CENTER FACILITIES OPERATIONS MEASURES AND TARGETS

Type of Performance Measure:	2005-06	2006-07	2007-08	2008-09
List of Measures	Actual	Actual	Projection	Target
Efficiency: Program costs related to Units of Activity				
Hall rentals as percent of total rentals	65%	66%	67%	68%
Food service concession as percent of total revenue	24%	25%	20%	20%
Activity Costs	\$24,656,110	\$13,147,317	\$18,038,791	\$16,663,162

CITY OF DETROIT
Civic Center Department
Financial Detail by Appropriation and Organization

Sales & Marketing Cobo Center	2007-08 Redbook		2008-09 Dept Final Request		2008-09 Mayor's Budget Rec	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
<i>APPROPRIATION ORGANIZATION</i>						
00011 - Cobo Center						
140040 - Sales & Marketing	8	\$928,201	8	\$1,042,516	8	\$1,046,043
140045 - Operations	4	\$352,488	4	\$359,837	4	\$358,442
140060 - Information Desk	0	\$37,175	0	\$33,254	0	\$32,386
140090 - Maintenance	0	\$14,153,492	0	\$13,108,042	0	\$11,970,091
140100 - Building Services	13	\$860,826	13	\$890,351	13	\$899,721
140110 - Building Services Extra Service	0	\$6,609	0	\$6,648	0	\$6,479
APPROPRIATION TOTAL	25	\$16,338,791	25	\$15,440,648	25	\$14,313,162
00890 - Cobo - Renewal and Replacement						
140050 - Renewal & Replacement	0	\$1,500,000	0	\$2,350,000	0	\$2,350,000
APPROPRIATION TOTAL	0	\$1,500,000	0	\$2,350,000	0	\$2,350,000
10318 - Capital Improvement - Bonds - Civic Cent						
140055 - Capital Improvement - Bonds	0	\$200,000	0	\$0	0	\$0
APPROPRIATION TOTAL	0	\$200,000	0	\$0	0	\$0
ACTIVITY TOTAL	25	\$18,038,791	25	\$17,790,648	25	\$16,663,162

CITY OF DETROIT
Budget Development for FY 2008-2009
Appropriations - Summary Objects

	2007-08 Redbook	2008-09 Dept Final Request	2008-09 Mayor's Budget Rec
AC1514 - Civic Center Facilities Operations			
<i>A14000 - Civic Center</i>			
SALWAGESL - Salary & Wages	1,140,041	1,200,599	1,240,643
EMPBENESL - Employee Benefi	760,715	813,139	783,560
PROFSVCSL - Professional/Cont	3,511,778	3,500,000	3,500,000
OPERSUPSL - Operating Supplie	1,000	1,000	1,000
OPERSVCSL - Operating Service	7,819,350	9,915,910	8,777,959
CAPOUTLSL - Capital Outlays/Mi	1,700,000	2,350,000	2,350,000
OTHEXPSSL - Other Expenses	10,000	10,000	10,000
FIXEDCHGSL - Fixed Charges	3,095,907	0	0
<i>A14000 - Civic Center</i>	<i>18,038,791</i>	<i>17,790,648</i>	<i>16,663,162</i>
AC1514 - Civic Center Facilities Operation:	18,038,791	17,790,648	16,663,162
Grand Total	18,038,791	17,790,648	16,663,162

CIVIC CENTER (14)

PROPERTY MANAGEMENT ACTIVITY INFORMATION

ACTIVITY DESCRIPTION: PROPERTY MANAGEMENT

The Property Management Division provides event programming, janitorial service, grounds maintenance, security, and event service management for Hart Plaza. This division is also responsible for tenant relations for the Veterans Memorial Building (Ford/UAW Training Center).

GOAL:

Maintain Hart Plaza as a destination for special events and provide safe, attractive facilities with responsive customer-driven staff.

MAJOR INITIATIVES FOR FY 2007-08:

- Completed a major renovation of the Dodge Fountain through the use of private donations. The fountain now has new lighting and water patterns that exceed the capabilities of the original fountain's design
- Initiate an RFP for a new Janitorial Contract
- Replaced pavers in the area of the Dodge Fountain
- Replaced the existing domes on light poles surrounding Hart Plaza
- Made significant landscaping improvements at Hart Plaza
- Completed installation of fire detection system at Hart Plaza

PLANNING FOR THE FUTURE FOR FY 2008-09, FY 2009-10 and BEYOND:

- Ford Auditorium is scheduled for demolition.
- Expand diverse programming at Hart Plaza.
- Assist events at Hart Plaza to increase their economic impact to region and increase the cultural impact to the City of Detroit (i.e., Jazz Festival – cooperative advertisement with region as destination with cross-promotion of simultaneous events such as Grand Prix, etc.)

CIVIC CENTER (14)

PROPERTY MANAGEMENT MEASURES AND TARGETS INFORMATION

Type of Performance Measure:	2005-06	2006-07	2007-08	2008-09
List of Measures	Actual	Actual	Projection	Target
Outputs: Units of Activity directed toward Goals				
No. of activities at Hart Plaza	11	13	14	14
Activity Costs	\$1,092,395	\$496,593	\$921,173	\$1,344,207

CITY OF DETROIT
Civic Center Department
Financial Detail by Appropriation and Organization

Property Management Administration	2007-08 Redbook		2008-09 Dept Final Request		2008-09 Mayor's Budget Rec	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Property Management						
<hr/>						
<i>APPROPRIATION</i>						
<i>ORGANIZATION</i>						
11150 - Property Management						
140350 - Property Management Administration	4	\$198,209	4	\$231,719	4	\$212,493
140370 - Hart Plaza Management	0	\$722,964	0	\$1,416,714	0	\$1,131,714
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APPROPRIATION TOTAL	4	\$921,173	4	\$1,648,433	4	\$1,344,207
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ACTIVITY TOTAL	4	\$921,173	4	\$1,648,433	4	\$1,344,207

CITY OF DETROIT
Budget Development for FY 2008-2009
Appropriations - Summary Objects

	2007-08	2008-09	2008-09
	Redbook	Dept Final	Mayor's
		Request	Budget Rec
AC3514 - Property Management			
<i>A14000 - Civic Center</i>			
SALWAGESL - Salary & Wages	129,546	138,675	144,084
EMPBENESL - Employee Benefi	68,663	93,044	68,409
PROFSVCSL - Professional/Cont	237,279	885,000	600,000
OPERSVCSL - Operating Service	485,685	531,714	531,714
<i>A14000 - Civic Center</i>	<i>921,173</i>	<i>1,648,433</i>	<i>1,344,207</i>
AC3514 - Property Management	921,173	1,648,433	1,344,207
Grand Total	921,173	1,648,433	1,344,207

CITY OF DETROIT
Budget Development for FY 2008-2009
Appropriation Summary - Revenues

	2006-07 Actuals	2007-08 Redbook	2008-09 Dept Final Request	2008-09 Mayor's Budget Rec	Variance
A14000 - Civic Center					
<i>00008 - Administration</i>					
447300 - Other Utility Revenue	163,818	0	0	0	0
447505 - Telephone And Telegran	633	800	800	100	(700)
447555 - Other Reimbursements	420	3,000	2,000	2,000	(1,000)
462130 - Building Rentals	2,280,196	2,300,000	2,400,000	2,280,000	(20,000)
463100 - Miscellaneous Concess	154,205	1,500,000	675,000	675,000	(825,000)
463175 - Restaurant Concessions	1,112,226	1,500,000	1,500,000	1,100,000	(400,000)
463185 - Checking Concessions	6,605	40,000	40,000	40,000	0
472130 - Equipment Rentals	24,999	30,000	30,000	25,000	(5,000)
474100 - Miscellaneous Receipts	19,707	10,000	20,000	10,000	0
510100 - Street Funds Reimburse	71,500	29,434	29,700	30,045	611
<i>00008 - Administration</i>	<i>3,834,309</i>	<i>5,413,234</i>	<i>4,697,500</i>	<i>4,162,145</i>	<i>(1,251,089)</i>
<i>00011 - Cobo Center</i>					
447300 - Other Utility Revenue	288,289	0	0	0	0
462130 - Building Rentals	90,577	0	0	0	0
472130 - Equipment Rentals	(2,870)	0	0	0	0
474100 - Miscellaneous Receipts	935	0	0	0	0
510100 - Street Funds Reimburse	7,870	0	0	0	0
<i>00011 - Cobo Center</i>	<i>384,801</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>00890 - Cobo - Renewal and Replacement</i>					
461100 - Earnings On Investment	170,151	0	0	0	0
510325 - Transfers From Other Fu	942,318	1,500,000	2,350,000	2,350,000	850,000
<i>00890 - Cobo - Renewal and Replacem</i>	<i>1,112,469</i>	<i>1,500,000</i>	<i>2,350,000</i>	<i>2,350,000</i>	<i>850,000</i>
<i>10318 - Capital Improvement - Bonds - Civic Cent</i>					
461100 - Earnings On Investment	0	200,000	0	0	(200,000)
<i>10318 - Capital Improvement - Bonds -</i>	<i>0</i>	<i>200,000</i>	<i>0</i>	<i>0</i>	<i>(200,000)</i>
<i>11150 - Property Management</i>					
447300 - Other Utility Revenue	8,500	0	0	0	0
462130 - Building Rentals	1,080,563	1,250,620	901,620	901,620	(349,000)
<i>11150 - Property Management</i>	<i>1,089,063</i>	<i>1,250,620</i>	<i>901,620</i>	<i>901,620</i>	<i>(349,000)</i>
A14000 - Civic Center	6,420,642	8,363,854	7,949,120	7,413,765	(950,089)
Grand Total	6,420,642	8,363,854	7,949,120	7,413,765	(950,089)

CITY OF DETROIT
MAYOR'S 2008-2009 RECOMMENDED BUDGET

Civic Center

Appropriation	REDBOOK FY 2007	DEPT REQUEST	MAYORS FY 2008
Organization	2008 FTE	FY 2008 2009 FTE	2009 FTE
Classification			
00008 - Administration			
140010 - Administration			
Director - Civic Center	1	1	1
Deputy Director - Civic Center	1	1	1
General Manager - Civic Center	1	1	1
Manager I - Civic Center	1	1	1
Executive Secretary III	1	1	1
Executive Secretary II	1	1	1
Clerk	1	1	1
Total Administration	7	7	7
Total Administration	7	7	7
00011 - Cobo Center			
140040 - Sales & Marketing			
Manager I - Civic Center	1	1	2
Sales Manager - Civic Center	1	1	0
Asst Sales Mgr - Civic Center	1	1	1
Admin Asst GD III	1	1	1
Sr Civic Center Event Coordinator	1	1	1
Civic Center Event Coordinator	3	3	3
Total Sales & Marketing	8	8	8
140045 - Operations			
Civic Center Svcs Foreman	2	2	2
Civic Center Svcs Supervisor	1	1	1
Prin Civic Center Oper Asst	1	1	0
Manager I - Civic Center	0	0	1
Total Operations	4	4	4
140100 - Building Services			
Civic Center Facility Worker	13	13	13
Total Building Services	13	13	13
Total Cobo Center	25	25	25

**CITY OF DETROIT
MAYOR'S 2008-2009 RECOMMENDED BUDGET**

Civic Center

Appropriation	REDBOOK FY 2007	DEPT REQUEST	MAYORS FY 2008
Organization	2008 FTE	FY 2008 2009 FTE	2009 FTE
Classification			
11150 - Property Management			
140350 - Property Management Administration			
Sr Civic Center Event Coordinator	1	1	1
Civic Center Event Coordinator	1	1	1
Civic Center Event Coord-Spec	2	2	2
Total Property Management Administration	4	4	4
Total Property Management	4	4	4
Agency Total	36	36	36